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cc:wayne  
**UTAH ENERGY CORPORATION**

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January 28, 2009

Ted McDougall, Geologist  
Bureau of Land Management  
Monticello Field Office  
365 North Main  
Monticello, Utah 84535

**RECEIVED**

**FEB 02 2009**

**DIV. OF OIL, GAS & MINING**

Re: Plan of Operations, UTU-74631, Daneros Mine Project, San Juan County, Utah

Dear Mr. McDougall,

Utah Energy Corporation wishes to express concern at the possible expansion of the timeframe for the assessment of Utah Energy Corporation's Plan of Operations (POO) for a new uranium mine at Bullseye Canyon, near Blanding Utah.

The initial notice was published on the Bureau of Land Management (BLM) Electronic Notification Bulletin Board (ENBB) website in September 2007. Since then the Plan of Operations (POO) was lodged with BLM in November 2008, and advertised in local newspapers. In addition, ten Native American tribes were contacted by BLM seeking expressions of interest. The 30-day period of public comment commenced in November 2008. This was extended a further 14 days to encourage full public comment. Five submittals of comment were received from the public. Finally, another letter was sent to various State and Federal agencies on December 19<sup>th</sup>, 2008, seeking additional comments on the POO. Two responses were received to this letter, from the State of Utah, Department of Natural Resources, Division of Water Rights, and from the U.S. Environmental Protection Agency.

We welcome what has been a full and open assessment by the public, the State of Utah, and the BLM, through the extensive outreach that has been conducted, with the results being incorporated in the Draft Environmental Assessment (EA), submitted to the BLM Monticello Field Office on January 20, 2009.

UEC understands that the Draft EA is currently being reviewed by BLM (Monticello Field Office, Moab District Office, Utah State Office, and the Denver Office). We hope that BLM will make every effort to prioritize this review and we look forward to receiving BLM comments on the Draft EA.

However, we are especially concerned that the BLM may be considering extending the process by opening an additional 30-day public comment period on the Draft EA. UEC understands that this is not required for EAs, nor is it standard practice. We feel that there has already been adequate opportunity for the public to comment on the proposed project as outlined in the POO, and that a second 30-day public comment period on the Draft EA is unwarranted. Our understanding is that a

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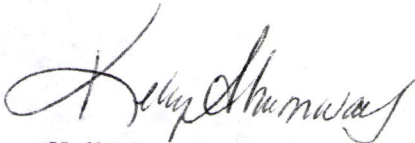
second 30-day public comment period would constitute delays greater than 30 days, as BLM would be required to address and respond to all comments received.

The BLM ID-team prepared a checklist and helped focus the analysis for the EA to essentially four resources; the additional comments received so far only expand the scope of the already identified issues; but have not really brought up significant new issues. Based on EPA and preliminary input from BLM we are working on additional testing for water quality to help in the analysis. We are merely expressing our concern that the additional time would not provide something new that we are not already discussing in the EA. We have worked closely with your staff to ensure the NEPA process has been followed and if this 30-day comment period is discretionary, then we would encourage you to weigh the relative gain against further delays.

UEC has been putting in place equipment, mine fleet and mine personnel in preparation for a prompt commencement of operations upon approval by the BLM. Submissions during the public comment period from local San Juan interested parties confirmed the importance of an early operations start-up to local employment and businesses, not the least being local mine contractors and the owners and employees of the White Mesa Mill.

The approval process has been open, thorough and consistent with applicable law, regulation, and policy. We encourage the process to be progressed to finalization without additional delay, especially a second 30-day public comment period.

Sincerely,



Kelly Shumway  
Vice-President

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